



Council of the
European Union

Brussels, 8 January 2019
(OR. en)

17392/10
ADD 1 DCL 1

ENV 833
ENER 354
IND 174
COMPET 413
MI 523
ECOFIN 812
TRANS 365
AELE 88
CH 67

DECLASSIFICATION

of document: ST 17392/10 ADD 1 RESTREINT UE/EU RESTRICTED

dated: 9 December 2010

new status: Public

Subject: Draft Council Decision authorising the Commission to open negotiations on linking the EU emissions trading scheme with an emissions trading system in Switzerland
- Negotiating Directives

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

RESTREINT UE



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 9 December 2010

**17392/10
ADD 1**

RESTREINT UE

**ENV 833
ENER 354
IND 174
COMPET 413
MI 523
ECOFIN 812
TRANS 365
AELE 88
CH 67**

NOTE

from: General Secretariat
to: Coreper/Council

Subject: Draft Council Decision authorising the Commission to open negotiations on linking the EU emissions trading scheme with an emissions trading system in Switzerland
- Negotiating Directives

DECLASSIFIED

RESTREINT UE

NEGOTIATING DIRECTIVES

- (1) The Commission shall conduct negotiations in accordance with relevant European Union legislation in force. Where appropriate, detailed negotiating positions of the Union shall be established within the special committee of representatives of the Member States referred to in Article 1(2) or within the Council. The Working Party on the Environment is appointed as special committee to assist the Commission in this task. The special committee shall be organised and chaired by the Member State holding the Presidency of the Council.
- (2) The Commission shall ensure that the agreement to link the EU emissions trading scheme with the Swiss emissions trading system is consistent with relevant Union legislation.
- (3) The Commission shall ensure that:
 - (1) the linking agreement allows for the recognition of allowances only where these come from a compatible mandatory greenhouse gas emissions trading system with an absolute emissions cap; in assessing the compatibility of the two systems, the Commission may, inter alia, assess whether the systems cover the same sectors, including aviation, and gases, with a fully comparable monitoring system in terms of accuracy, credibility and reliability of the data provided and a compliance system with the same level of stringency;
 - (2) the linked system provides, at least, for comparable emission reduction effort to that of the EU; such comparability will be assessed taking into account the linear reduction factor and the starting point in terms of reference year and level of emissions allowed;
 - (3) the level of international credits use, criteria for the eligibility of international credits from projects or other emission reducing activities are comparable with those in the EU Emissions Trading Scheme;

RESTREINT UE

- (4) no elements in the Swiss system are accepted that can negatively affect the efficient functioning of the EU Emissions Trading Scheme or that limit the possibility for the EU to adopt more stringent emissions reduction targets;
 - (5) in case of evolution of the relevant Union acquis, the compatibility and consistency between both systems needs to be ensured on a continuous basis;
 - (6) provisions should be included to ensure compliance, the monitoring of compliance and the effective resolution of conflicts;
 - (7) no provisions should be included on the use of revenues generated from the auctioning of allowances.
- (4) The Commission shall ensure provisions are included for terminating the agreement to link both systems.
 - (5) The Commission shall ensure that nothing in these negotiations could prejudice the possibility for the EU to open negotiations with a view to linking the EU/ETS scheme with equivalent mandatory schemes of any other third country or sub-federal or regional entities.
 - (6) The Commission shall report to the Council on the outcome of the negotiations after each negotiating session and, where appropriate, on any problem that may arise during the negotiations.

DECLASSIFIED